

STRAW PROPOSAL
For Discussion Purposes Only
(Changes are highlighted)

COMAR 26.09.01.02

.02 Definitions. (Proposed additional definitions)

(51-1) Electricity Supplier.

(a) "Electricity supplier" means, as defined in Public Utility Companies Article, §1-101(j), Annotated Code of Maryland, a person:

(i) Who sells electricity, electricity supply services, competitive billing services, or competitive metering services; or

(ii) Who purchases, brokers, arranges, or markets electricity or electricity supply services for sale to a retail electric customer.

(b) "Electricity supplier" includes an electric company, an aggregator, a broker, and a marketer of electricity.

(c) "Electricity supplier" does not include the following persons who supply electricity and electricity supply services solely to occupants of a building for use by the occupants:

(i) An owner/operator who holds ownership in and manages the internal distribution system serving the building; or

(ii) A lessee/operator who holds a leasehold interest in and manages the internal distribution system serving the building.

(d) "Electricity supplier" does not include a person who generates on site generated electricity.

(87-1) "Renewable on-site generator" means, as defined in Public Utility Companies Article, §7-701(k), Annotated Code of Maryland, a person who generates electricity on site from a Tier 1 renewable source or a Tier 2 renewable source for the person's own use.

COMAR 26.09.02.08

.08 Voluntary Renewable Set-aside Account.

A. Administration and Participation.

(1) The Department shall administer the Voluntary Renewable Set-aside Account in accordance with the procedures of this regulation.

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(2) A person located in Maryland may acquire renewable energy credits (RECs) for the purpose of permanently retiring CO₂ allowances in the Voluntary Renewable Set-aside Account, by voluntarily purchasing renewable energy from an electricity supplier.

(3) Upon request, the electricity supplier shall provide to the requesting person or their authorized representative, a REC for every megawatt-hour of electricity generated from a renewable energy source.

(4) When a person or their authorized representative accumulates RECs calculated to equal 1 or more tons of CO₂ as calculated pursuant to §C(1) of this regulation, a person or their authorized representative may submit documentation of §B(2) of this regulation, to the Department in exchange for the permanent retirement of CO₂ allowances from the Voluntary Renewable Set-aside Account.

(5) The Department shall permanently retire one CO₂ allowance for every ton of CO₂ emissions avoided as represented by the submitted RECs.

(6) The Department may not accept RECs that do not equal at least 1 ton of CO₂ emissions.

(7) The Department may not permanently retire partial CO₂ allowances.

(8) The Department shall permanently retire CO₂ allowances into the CO₂ Allowance Retirement Account at least annually and by not later than December 31 of the calendar year.

B. Documentation of Energy Purchases.

(1) Documentation of the purchase of renewable energy for the purpose of this regulation shall be submitted to the Department not later than ~~April 1~~ **July 1** of the following year. All submittals received by the Department after ~~April 1~~ **July 1** of each year shall be applied toward retirement of CO₂ allowances from the Voluntary Renewable Set-aside Account in the next calendar year.

(2) In order for the Department to retire CO₂ allowances from the Voluntary Renewable Set-aside Account on behalf of voluntary purchases of renewable energy, a person or their authorized representative shall submit to the Department for approval the following documentation:

(a) For a person or authorized representative that is not an electricity supplier or a renewable on-site generator:

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(i) A GATS reserve subaccount report from PJM EIS that documents transfer of the verified REC to a GATS retirement subaccount for the purposes of this subtitle;

(b) (ii) The name of the state in which the REC was created, the name of the facility that generated the renewable energy and its unique generator ID number, and the fuel type;

(e) (iii) A copy of the purchase contract Documentation that shows the date when the renewable energy purchase began;

(d) (iv) Any additional information that the Department considers necessary to demonstrate that the renewable energy purchased is not being credited in more than one state or to satisfy compliance with any state renewable energy portfolio standard program.

(e) (v) If the documentation is submitted by a person's authorized representative, a certification by the authorized representative of the authority to act on behalf of the person.

(b) For an electricity supplier or a renewable on-site generator:

(i) A written request to the Department requesting retirement of CO₂ allowances from this Set-aside Account on behalf of voluntary purchases by customers of electricity generated from renewable energy.

(ii) A copy of the preceding calendar year's annual report to the Maryland Public Service Commission as required under COMAR 20.61.04.01(D) that documents voluntary purchases of electricity generated from renewable energy.

C. Determining the Number of CO₂ Allowances to be Retired.

(1) The number of CO₂ allowances to be retired by the Department shall equal the number of megawatt hours of renewable energy represented by the RECs submitted to the Department, multiplied by the CO₂ output emissions rate in this region, as calculated annually by the North American Electric Reliability Corporation. (Up for discussion: NERC versus PJM)

(2) If the total number of CO₂ allowances calculated for retirement equals or exceeds the number of CO₂ allowances in the Voluntary Renewable Set-aside Account, then the Department shall retire not more than the total number of allowances in the Voluntary Renewable Set-aside Account.

(3) If the number of CO₂ allowances calculated for retirement is less than the number of CO₂ allowances in the Voluntary Renewable Set-aside Account, then the

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Department shall transfer at the end of the calendar year all remaining allowances in the Voluntary Renewable Set-aside Account to the Consumer Energy Efficiency Account for auction in the following years;

(4) Every 2 years, the Department shall review, and if appropriate, increase the number of CO₂ allowances allocated to the Voluntary Renewable Set-aside Account, considering projected voluntary renewable sales, market impact, and other relevant factors.

(a) Possible language for allocating additional allowances to true-up preceding years' surplus of voluntary RECs?

(b) Possible language for adjusting number of allocated allowances based on market impact on the RPS compliance program